

The construction of the New York Connecting Railroad, owned jointly by this Company and the New York, New Haven and Hartford Railroad Company, as described in the report.

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of the towns, cities and territories served by

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a fair and equitable division of the expenditures, as do the laws of New York, Massachusetts

Further improvement of the passenger facilities in Philadelphia is still being considered, and the Pennsylvania Railroad is now planning to do this, and also by the Consulting Electrical Engineers of the Company. It will necessitate an increase in the tracks and platforms, and the enlargement of the existing Broad Street Station and its approaches as far as West Philadelphia Station and its approaches, over the Schuylkill River and the adjoining entrance to the city. It is also planned to have the construction of two additional tracks and a renewal of the signals and interlocking. It is now being planned for the enlargement of North Philadelphia passenger station, and the Pennsylvania Railroad Company will also be required to provide funds for the improvements heretofore mentioned, and for the construction of the new car 1912.

On the Cambria and Clearfield Railroad the Cherry Run branch, which runs from the Port Alleghe, Monacaheila and Southern Railroad, various short branches were built. This Company advanced \$184,591.56 to the Cambria and Clearfield Railway Company to construct the Cherry Run branch, which was charged against the net income of the Lessee Company.

It has been deemed advisable to absorb the Cambria and Clearfield Railway Company, which for many years has been a subsidiary of the Pennsylvania Railroad Company, into its main line, the construction of that road

four new tracks with high level island platform, and other improvements including the

consolidation of the Junction of the West Philadelphia Branch and the Main Branch at the latter place, which is now under contract.

In brief the Philadelphia Terminal problem is to provide increased terminal facilities and to provide for the extension of the lines which equal eight double-track railroads.

An Ordinance was obtained from the City of Philadelphia for the construction of a new bridge across North Broad Street near North Philadelphia Station.

Pending the results of the investigation of the proposed extension of the Broad Street Station, Philadelphia, satisfactory progress is being made in the acquisition of the necessary right-of-way.

Extensive repairs and additions are being made to the West Philadelphia stock car yard of the Company, and the piers at the foot of the yard, and the dock extended, to facilitate the loading of coal at that point.

On the Bald Eagle Valley Branch the grades are being revised and the line is being double-tracked between Mount Eagle and the Howard Street Station.

In the Harrisburg region The necessity of a corporation no longer exists, and the agreement providing for its acquisition will, in accordance with notice given to the stockholders, be submitted to them at the annual meeting.

The sum of \$84,408.14 was advanced to the Pennsylvania Montagu Railway and Dock Company to meet its construction expenditures for 1912 for which it returned this company by the issuance of its stock and bonds.

A fireproof grain elevator of enlarged capacity has been erected at the foot of the pier and modern facilities are being erected at the foot of the pier at the "Grand Point" (Grand Street Pier) to take the place of the present elevator.

On the Philadelphia, Baltimore and Washington Railway the work of reconstructing the bridges over the Gunpowder and Bush Rivers is proceeding, and will be finished during the year.

At the Stearns Run, Back River and Gwynn's Falls will also be undertaken in the present year.

Installation of automatic block signals on

tended, to provide for the increased tonnage the Maryland Division has been completed between Washington and Baltimore, between

division via Tyrone, Allentown, Easton and Philadelphia. The new grade crossings are being abolished in Bradford, Pa., by the construction of three under-grade bridges and one over-head bridge; under-grade crossings are being abolished in the city of Pittsburgh at Homewood Avenue, and the work of eliminating all grade crossings in the city of Erie, Pa., is well advanced.

In West Brownsville Yard, Pa., the change of grade and extension of track facilities, necessary to connect with the Erie Railroad, will be completed by the construction of a bridge, at that point are almost completed.

On the Sunbury Division the double track line is being extended during the year by constructing second tracks at Boyd and South Danville, and between Port and Honey Brook.

At Montgomery, Pa., the sixteen span dou-

of the Susquehanna River, replacing the delivered in conformity with its terms, and conditions.

The aggregate expenditures for Construction and Equipment during the year upon the owned and leased lines of this Company was \$10,322,247.58, for which the Company was indemnified by leased lines to the

extent of \$727,502.41. The sum of \$222,107.06 was expended on the Western New York and

Pennsylvania Railroad Company, of the Branch Roads, and charged against Income as expenditures on Branch Roads for expenditures on the Erie Railroad, line owned and on the Harrington, Portsmouth, Mt. Joy and Lancaster Railroad and the United New York and Pennsylvania Railroad Company, operated under long-term leases comprising the main line system between New York and Pittsburgh, amounted to \$1,007,911, which has been described as follows:

Charged to Income as Extraordinary Expenditures—	\$1,841,127.72
Charged to Receipts from the Pennsylvania Railroad Company and Reimbursements Appropriated out of the previous year—	3,632,667.37
Excess Capital—	\$5,498,685.09

Roads .....	\$7,662,489.93	
Equipment .....	5,610,452.89	

\$14,706,837.91

Under the Balance Sheet prescribed by the Interstate Commerce Commission, the Road

and Equipment. Capital charges and also similar expenditures made out of income since June 30th, 1907, have been charged against income and against the Reserve for Additions and Betterments created in previous years have been so included.

The Additions and Betterments expenditures on the Hamburg, Portsmouth, Mt. Joy and Lancaster Railroad and the lines of the United New Jersey Railroad and Canal Company, both of which are operating since 1900 years, have also been included under the Road and Equipment Account as "Road and Equipment."

Expenditures during 1912	\$1,970,160.61
Expenditures June 30th, 1907,	
to December 31st, 1911.....	9,640,050.10
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	\$11,920,110.71

An offsetting liability appears on the credit side of the Balance Sheet, entitled "Reserve for Additions and Betterments," in relation to Property since June 30th, 1907.

By order of the Board,

SAMUEL R. PRESTON,  
PRESIDENT.

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LEWIS NEILSON, SECRETARY,

BROAD STREET STATION, PHILADELPHIA, PA.

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STANDARD OIL SUBSIDIARIES. TELEPHONE RECEIVER SOUGHT.

To-day's session in the Standard Oil

firmness in most of these issues. Ohio Oil was in good demand at 124, Buckeye sold up from 164 to 166, Eureka from 372 to 376, National Transit from 494 to 51, Galena common from 260 to 288, Standard of California from 174 to 177 and Standard of New Jersey from 372 to 376. The advance resulted in the sale of a number of lots of old stock, and some of these issues were a shade lower at the close, notably Standard of New Jersey at 375.

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